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The Editor's Perspective

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The Editor's Perspective

CAREFUL READERS of Judith Daubenmier's article (including the footnotes) in this issue will notice that she relates dollar amounts of money earned or spent in the 1950s to equivalent dollars in 2003. In doing so, she avoided, without prodding from me, one of my pet peeves.

Too often in reminiscences, and even in reputable historians' books and articles, we read, for example, that someone only had to pay a nickel for a loaf of bread in the 1930s or built a house for less than \$10,000 in the 1920s, implying that because those things cost so much more now they were a real bargain at the time. Or we will read that someone worked for only \$50 per week in the 1890s and wonder how that person could possibly have sustained their family on those earnings.

In fact, we know, if we think about it, that the value of a dollar fluctuates over time. But how can we place wages and the cost of goods and services in context? Fortunately, help is just a mouse click away. Daubenmier cites a U.S. Bureau of Labor Statistics Web site at www.bls.gov/cpi/; a more user-friendly site, using data from *Historical Statistics of the United States* (USGPO, 1975) and *Statistical Abstracts of the United States*, is the "Inflation Calculator" at www.westegg.com/inflation/. Both sites yield very similar results. Using the latter site, we learn that paying a nickel for a loaf of bread in 1935 would be equivalent to paying 66 cents today (still a bargain, but not as much as it originally appeared, though most Depression-era families would have been hard-pressed to pay that for store-bought bread). That \$10,000 house in 1920 would have cost its builder the equivalent of about \$100,000 today. And that \$50 weekly wage in 1890 would be equivalent to nearly \$1,000 today. Try out some examples from your own reading or family history stories.

Finding such equivalent values helps to put wages and the cost of goods and services in some perspective. But it doesn't tell the whole story. Better to know how much a particular person earned at the time, and how long they had to work to earn

the money to purchase the goods and services they needed and wanted. A reference work that can help you do that is *The Value of a Dollar: Prices and Incomes in the United States, 1860–1999* (Grey House Publishing, 1999). For each five-year period, this work lists per capita consumer expenditures for basic consumer items (food, clothing, transportation, etc.); income for various occupations, from bricklayers and secretaries to actors and social workers; the cost of typical food basket items in various locales; and the cost of various other consumer items. Thus you can learn, for example, that a classified ad in the *Atlanta Constitution* in 1953 offered a job for a social worker at \$225 per month; that a pound of coffee would have cost that social worker 83 cents; a pair of shoes from Sears, Roebuck, \$4.98; and a Sylvania television, \$169.95. (Note that that television—a new technology at the time—would have cost 75% of the social worker's monthly earnings; compare that to what portion of your monthly earnings a television would cost you today.)

Even this level of specificity does not tell the whole story. Wages and prices vary from place to place at the same time—especially before the twentieth century—and, as the introduction to *The Value of a Dollar* points out, “In any given year the same item . . . might be sold at widely varying prices in the same store, based on the season, the availability, the retailer's need for cash, or the consumer's demand. Within the same city the price of an item may vary based on the cost of inventory, overhead, competitive pressures, demographics of the retailer's customer base, a holiday sales promotion, cash flow, or simply the whim of the owner.” (Another useful resource, with an economic historian's complicated explanation of the difficulties of creating a general price index and, by implication, the limitations of such an index, is John J. McCusker, *How Much Is That in Real Money? A Historical Price Index for Use as a Deflator of Money Values in the Economy of the United States* [American Antiquarian Society, 1992.]

All of this is simply to say that historians who cite wages or prices in their work owe it to their readers to provide some context for those figures, and if they don't, readers should have an inflation calculator bookmarked on their computers to get at least an approximate historical sense of the values cited.

—Marvin Bergman, editor

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